



The President's Daily Brief

June 25, 1975

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~~*Top Secret*~~

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Table of Contents

<u>Portugal:</u> The Revolutionary Council's debate on basic policy last week may have been a bitter one. (Page 1)	25X1
<u>Turkey:</u> [REDACTED]	25X1
<u>Egypt-Israel:</u> [REDACTED]	25X1 25X1
<u>India:</u> Prime Minister Gandhi's political position has been further damaged by yesterday's ruling by a Supreme Court justice. (Page 4)	
<u>Vietnam:</u> Thirty countries have now announced recognition of the Provisional Revolutionary Government, but so far none have been allowed to establish diplomatic representation in Saigon. (Page 5)	
<u>Notes:</u> MBFR; USSR; Cambodia; International Energy Agency; Romania-US (Pages 7 and 8)	

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PORTUGAL

The Revolutionary Council's debate on basic policy last week may have been a bitter one.

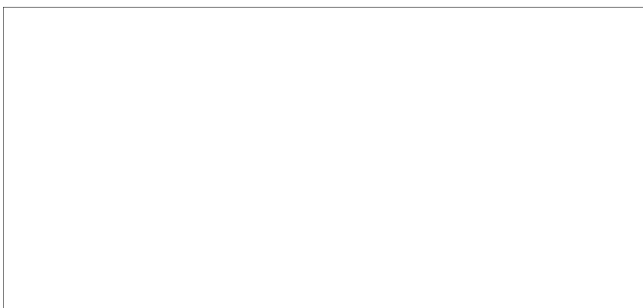
Rumors of sharp splits within the Council have been circulating in the city. An unconfirmed report from one of our embassy's sources indicates that Prime Minister Goncalves offered his resignation because he opposed the moderate tone of the statement. His resignation has not been announced, this story goes, because Foreign Minister Antunes, a respected moderate, refused to take the job and Goncalves then agreed to stay on for the time being.

Moderate political parties in Portugal are encouraged by the turn of events and hope that the developing momentum will have an impact on Council decisions affecting the Socialist newspaper *Republica* and the Catholic radio station. There have been no new developments in these disputes, but the Socialists are using the time to develop political support, and the Vatican has expressed its support for the church.

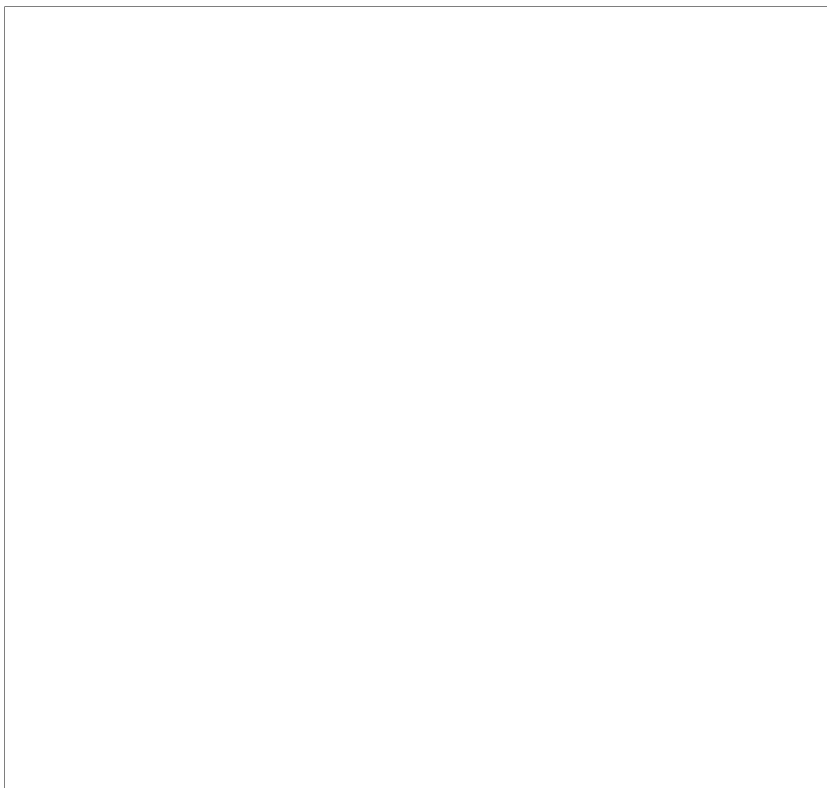
Socialist and Catholic leaders have some reason to hope that foreign pressures will influence Council members in their deliberations to resolve the two cases. There are good indications that the moderates' arguments have been strengthened considerably by West European offers of economic assistance to Portugal that are linked to Lisbon's adoption of a pluralistic political approach. A major portion of the Council's communiqué dealt with Portugal's serious economic problems, and Armed Forces Movement members increasingly appear to be aware that Western Europe offers the best hope for substantial assistance.

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TURKEY



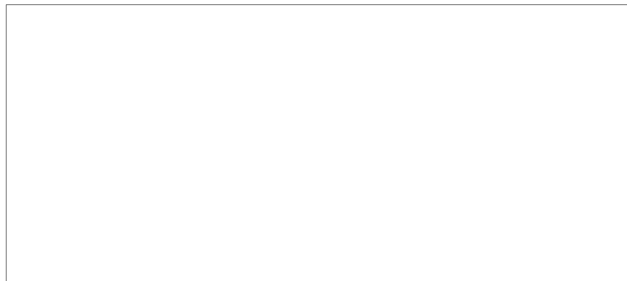
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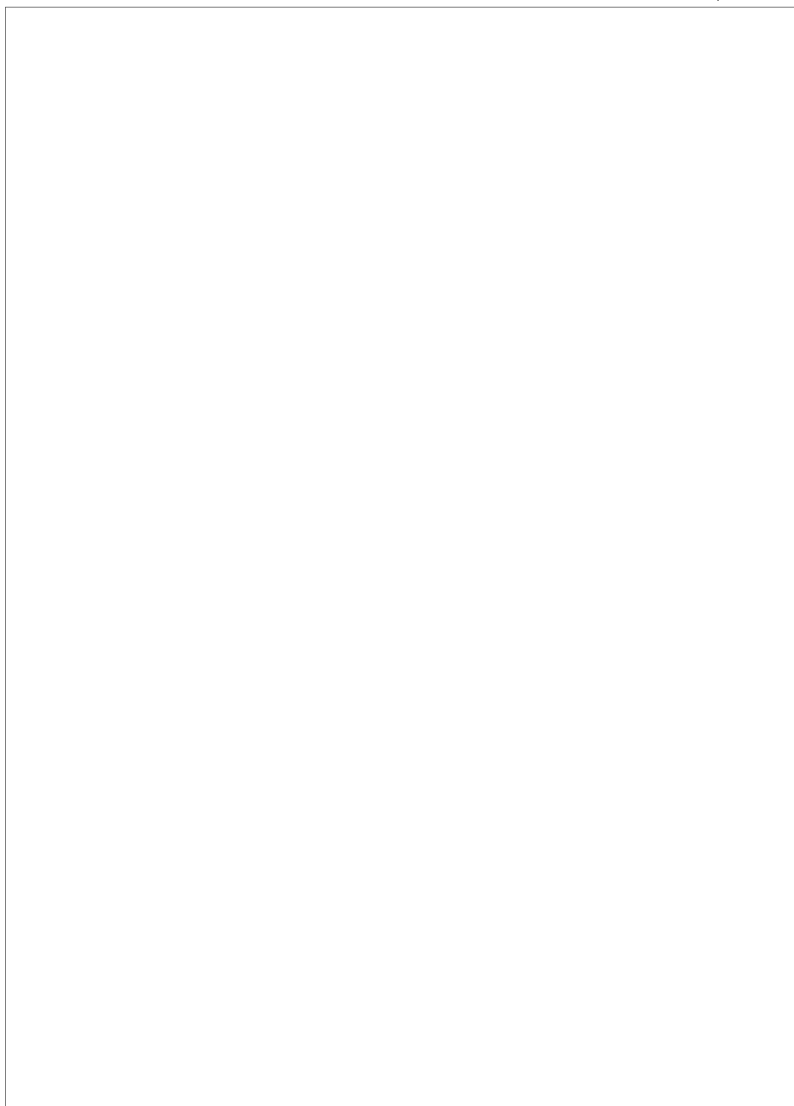
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EGYPT-ISRAEL



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INDIA

Prime Minister Gandhi's political position has been further damaged by the ruling of a Supreme Court justice yesterday.

The decision allowing her to stay on as head of government and engage in parliamentary debate in that capacity but denying her a parliamentary vote is academic as long as parliament remains in recess. Moreover, Mrs. Gandhi could postpone reconvening parliament until November when the maximum six-month span between sessions expires. If she does not call the usual summer session in mid-July, however, she will come under attack from opposition parties and probably will face mass demonstrations and a civil disobedience campaign.

The Supreme Court will begin deliberating on Mrs. Gandhi's case after it convenes on July 14. If the court confines itself to reviewing only the points of law involved in the lower court decision, a verdict should be issued by the end of August. If, however, the court undertakes a review of the facts of the case, as well as the point of law, a decision may not be handed down for several months. In this case, Mrs. Gandhi may be pressed by her own Congress Party to step down in favor of an interim prime minister.

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VIETNAM

Thirty countries, the UK being the latest, have now announced recognition of the Provisional Revolutionary Government. In addition, some governments that had official ties with the Thieu regime maintain that no interruption in formal relations has occurred. Whatever the procedure for recognition, none of the countries--including Vietnam's staunchest supporters during the war years--has been allowed to establish an embassy or any sort of diplomatic representation in Saigon. Rumors are now circulating in Saigon and Hanoi, however, that the communists may permit a limited diplomatic presence in the South as early as next month.

[redacted]
[redacted] representatives of several countries have discussed with communist officials the practical problems of arranging a diplomatic presence in Saigon. The communists [redacted] have indicated that the missions should be small and headed by a chargé d'affaires. The implication is that following reunification, these missions would become consulates.

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We continue to pick up signs that Hanoi and the Saigon administration will seek separate admission to the UN this fall. The two communist regimes probably hope that, among other benefits of membership, they would be allowed to assume positions held by the Thieu government in various UN specialized agencies and other international organizations such as the World Bank and the Asian Development Bank.

The consideration of a limited diplomatic presence in Saigon and dual representation at the UN points up the question of the pace at which the communists intend to proceed in reunifying the two Vietnams. An unidentified "high ranking" source in Saigon, quoted in a recent French press interview, stated that the process would be completed by the end of 1976 "at the latest" and might be accomplished sooner. He also said that Hanoi would be the country's political capital with Saigon serving as the "economic capital," a distinction that has appeared previously in the communist media.

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The timing of a decision permitting foreign diplomatic representation in the South may be linked to the communists' evaluation of the progress being made toward maintaining order and providing food, jobs and homes for the large numbers of persons displaced during the war. Arrangements to allow foreign diplomats to reside in the country could also point toward an early transition to civilian administration in the South, replacing the current military committees, headed by northern generals, that are now administering Saigon and other large urban areas.

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NOTES

The Soviet Union has modified its stand on one of the issues that has stalemated the MBFR talks in Vienna.

At an informal meeting last week, the chief Soviet delegate offered to enter a discussion of "definitions" of what should be included under ground and air forces. The delegate stated that these definitions should cover personnel and armaments in terms of "elements of structure" such as "units" or "divisions." The Soviets still oppose the discussion of actual numbers of troops or types of equipment. The Soviets' move apparently constitutes their promised initiative for this negotiating round.

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Soviets [REDACTED]

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At least some Cambodians who voluntarily returned home last month after attending military training courses in Thailand either have been or will be executed.

In response to a query as to what should be done with the returned trainees, over 300 in number, the Khmer Communist Party Central Committee stated in an intercepted message that some of "those who went to study in Thailand" were needed "to increase productivity." The intercept continued that "those who are not good or who pose a risk must be eliminated quietly." Other messages show that during the past two months, communist units along the Thai border have summarily executed Cambodians trying to flee into Thailand.

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The International Energy Agency's Governing Board meets next week in Paris to consider a plan for long-term cooperation among importers toward the development of alternate sources of energy.

The plan includes a US proposal for a "minimum safeguard price" intended to prevent oil exporters from undercutting importers' efforts to develop other energy sources. The IEA members agreed in principle last March that the development of energy sources other than oil would require a method to safeguard investments in these sources, but since then they have made little progress toward implementing the decision. The prospects for an agreement at next week's meeting are slim. Japan and Italy oppose an early accord; France--which is not a member of the IEA--is opposed to any aspect of the minimum price scheme.

* * *

Romania is trying hard to convince the US that its policy on Jewish emigration warrants passage of legislation granting it most-favored-nation status.

The titular leader of Romania's Jewish community, Rabbi Rosen, recently told US diplomats that he is under heavy pressure from the regime to "find" Jews willing to leave the country. Rosen quoted Ceausescu's adviser on security affairs as saying, "Give me 10,000 names, and I guarantee 9,000 passports." He accordingly issued instructions to all Jewish communities on June 20 to collect in three days the names of all Jews who want to leave. Rosen claims, however, that only a small portion of Romania's estimated 60,000 Jews want to depart. Whether or not this spate of activity will lead to an actual increase in the number of Jewish emigrants, Bucharest wants to convey the impression that it is doing its best.

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